Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Message Text

CONFIDENTIAL

PAGE 01 LONDON 19241 01 OF 02 291936Z

44
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
---------- 038172
R 291924Z NOV 76
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 8241
INFO AMEMBASSY KINSHASA
AMEMBASSY LUSAKA
AMEMBASSY DAR ES SALAAM
AMEMBASSY MAPUTO
AMEMBASSY PRETORIA
AMEMBASSY MASERU
AMEMBASSY GABORONE
AMEMBASSY LISBON
AMCONSUL LUBUMBASHI

C O N F I D E N T I A L SECTION 01 OF 02 LONDON 19241

EXDIS

MASERU FOR SCHAUFELE

E.O. 1L652: GDS
TAGS: PFOR, UK, AO, CG
SUBJECT: TANGANYIKA CONCESSIONS COMMENTS ON THE
BENGUELA RAILWAY

SUMMARY: ALEXANDER HOOD, CHAIRMAN OF TANGANYIKA CONCESSIONS, SAYS THAT NEITHER UNITA ATTACKS NOR THE ATTITUDE OF THE ANGOLAN GOVERNMENT IS PREVENTING THE REOPENING OF THE BENGUELA RAILWAY. INSTEAD, HE CLAIMS, PRESIDENT MOBUTU HAS REFUSED TO TAKE UP NETO'S SIGNAL THAT HE IS PREPARED, THROUGH THE MIXED COMMISSION, TO NEGOTIATE THE OBSTACLES THAT HAVE KEPT THE RAIL FRONTIER CLOSED AT DILOLO. HOOD SAYS THAT IF THE PROBLEMS OF THE RAILWAY ARE NOT SOON RESOLVED, TANGANYIKA CONCESSIONS MAY BE FINANCIALLY FORCED TO PULL OUT OF ANGOLA. HE HOPES THAT IN VIEW OF OUR INTEREST IN ZAIRE'S ECONOMIC STABILITY, THE UNITED STATES WILL ATTEMPT TO INFLUENCE
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 LONDON 19241 01 OF 02 291936Z

MOBUTU TO TALK TO THE ANGOLANS. END SUMMARY.

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

1. ALEXANDER HOOD CALLED ON THE MINISTER NOVEMBER 26 TO DESCRIBE THE PLIGHT OF ONE OF HIS COMPANY'S HOLDINGS, THE BENGUELA RAILWAY, AND GENERALLY TO PASS ON INFORMATION WHICH THE US GOVERNMENT MIGHT FIND USEFUL. HOOD SAID THAT BEFORE ANGOLAN INDEPENDENCE, THE RAILWAY EARNED NINETY PERCENT OF ITS REVENUES FROM INTERNATIONAL TRAFFIC, PRIMARILY TO AND FROM ZAIRE AND ZAMBIA. THE CIVIL WAR, HE SAID, CAUSED LITTLE DAMAGE TO THE STRUCTURE OF THE RAILWAY, BUT THE FLIGHT OF PERSONNEL WAS THE MORE SERIOUS PROBLEM. THE COMPANY KEPT THE ORGANIZATION AFLOAT DURING THE FIGHTING, HOWEVER, AND SHORTLY AFTERWARDS, TANGANYIKA CONCESSIONS MOVED QUICKLY TO REPAIR TWO MAJOR BRIDGES, PARTICULARLY THE SPAN BETWEEN TEIXEIRA DE SOUSA AND DILOLO WHICH CARRIED THE RAILWAY INTO ZAIRE. THE ANGOLAN GOVERNMENT HAD THROUGHOUT THE SPRING AND SUMMER ASSURED THE COMPANY OF ITS EAGERNESS TO REOPEN THE RAILROAD TO INTERNATIONAL TRAFFIC, AND A CEREMONY WAS APPROPRIATELY SCHEDULED FOR AUGUST 19. ON AUGUST 6, HOWEVER, UNITAGUERRILLA FORCES AMBUSHED A TRAIN CARRYING OFFICIALS TO THE CEREMONY, LEAVING SIXTEEN KILLED AND THREE WAGONS DESTROYED. THE REOPENING WAS CANCELLED.

2. BY LATE SEPTEMBER, WITH THE ANGOLAN GOVERNMENT STILL RELUCTANT TO REOPEN THE FRONTIER, TANGANYIKA CONCESSIONS DECIDED TO SEE HOW SUCCESSFULLY THE RAILROAD MIGHT OPERATE WITHIN THE COUNTRY. ALTHOUGH UNITA ATTACKS CONTINUED INTERMITTENTLY, THE COMPANY MANAGED TO MOVE MOST OF THE COPPER WHICH HAD BEEN SIDELINED ALONG THE RAILWAY FOR A YEAR AND A HALF DOWN TO LOBITO AND AS MANY AS 750 WAGONS OF GOODS FOR ZAMBIA AND ZAIRE UP TO THE BORDER WHERE THEY REMAIN. AGAIN, THE ANGOLANS COOPERATED IN THIS EXPERIMENT, PROVIDING SECURITY FOR THE PERSONNEL WHILE THE COMPANY TOOK RESPONSIBILITY FOR THE MATERIAL. UNITA PROVED TO BE A DANGEROUS NUISANCE, BUT NOTHING MORE.

3. HAVING DEMONSTRATED THE OPERABILITY OF THE RAILROAD AND WITH HUNDREDS OF WAGONS NOW AWAITING PERMISSION TO CONFIDENTIAL

CONFIDENTIAL

PAGE 03 LONDON 19241 01 OF 02 291936Z

CROSS THE BORDER, TANGANYIKA CONCESSIONS IN EARLY OCTOBER AGAIN ASKED THE ANGOLAN GOVERNMENT TO REOPEN THE BRIDGE AT DILOLO. BUT NOW THE ANGOLANS, WITHOUT EXPLANATION, REFUSED PERMISSION. HOOD NOTED THE COINCIDENCE THAT NETO HAD JUST RETURNED FROM MOSCOW AND THAT THE RHODESIA TALKS WERE ABOUT TO OPEN IN GENEVA.

4. BY MID-NOVEMBER, PERHAPS REFLECTING IMPROVED

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

ANGOLAN-ZAMBIAN RELATIONS, THE ANGOLAN POSITION HAD
CHANGED AGAIN. HOOD WAS INFORMED THAT THE GOVERNMENT
WAS NOW PREPARED TO APPROVE AT LEAST LIMITED BORDER
CROSSINGS BY THE RAILWAY, BUT THAT THE COMPANY WOULD

ARMSTRONG

CONFIDENTIAL

NNN

CONFIDENTIAL

PAGE 01 LONDON 19241 02 OF 02 291939Z

44
ACTION SS-25

INFO OCT-01 ISO-00 SSO-00 /026 W
---------- 038196
R 291924Z NOV 76
FM AMEMBASSY LONDON
TO SECSTATE WASHDC 8242
INFO AMEMBASSY KINSHASA
AMEMBASSY LUSAKA
AMEMBASSY DAR ES SALAAM
AMEMBASSY MAPUTO
AMEMBASSY PRETORIA
AMEMBASSY MASERU
AMEMBASSY GABORONE
AMEMBASSY LISBON
AMCONSUL LUBUMBASHI

C O N F I D E N T I A L SECTION 02 OF 02 LONDON 19241
EXDIS
FOR SCHAUFELE

FIRST HAVE TO OBTAIN ZAIRIAN AUTHORITY. THE ANGOLANS
ADVISED HOOD A) TO SUGGEST A NEW MEETING OF THE ZAIRE-
ANGOLA MIXED COMMISSION TO RESOLVE THE ISSUE, AND
B) TO CONVEY ANGOLA'S WILLINGNESS TO NEGOTIATE ALTHOUGH
NOT TO INITIATE THE MEETING. THROUGH THE ZAIRE AMBAS-
SADOR IN LONDON, HOOD THEN TRANSMITTED THE PROPOSITION
TO MOBUTU. MOBUTU ANSWERED THAT TOO MANY OUTSTANDING
PROBLEMS EXISTED WITH THE ANGOLANS AND TO RECONVENE THE
MIXED COMMISSION NOW WOULD BE INAPPROPRIATE AND PROBABLY
FRUITLESS. IN BRIEF, WHEN ONE PARTNER FINALLY STOOD UP,
THE OTHER SAT DOWN.

5. HOOD IS PUZZLED BY THE ZAIRIAN ATTITUDE. HE NOTED

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

AMERICA'S LONG CONCERN FOR ZAIRIAN STABILITY BUT COMMENTED THAT IT MADE LITTLE SENSE TO WORRY ABOUT ZAIRE'S ECONOMY WHEN ITS PRIMARY EXPORT CANNOT FIND A ROUTE TO THE SEA. ZAIRE'S ECONOMIC STRAITS WOULD AT LEAST BE UNDERSTANDABLE IF ITS COPPER WERE REFUSED TRANSIT BY THE ANGOLANS, BUT NOW, HE SAID, IT IS MOBUTU WHO IS PROVING CONFIDENTIAL

CONFIDENTIAL

TO BE THE OBSTACLE TO REOPENING THE RAILWAY TO INTERNATIONAL TRAFFIC. HOOD BELIEVES WE MIGHT FIND USEFUL THIS DESCRIPTION OF THE PROBLEMS OF THE BENGUELA RAILWAY AS WE HELP SORT OUT ZAIRE'S ECONOMIC TROUBLES.

6. HOOD CONCLUDED BY POINTING OUT THAT THE RAILWAY HAS BECOME A HEAVY BURDEN FOR TANGANYIKA CONCESSIONS TO CARRY. THE COMPANY HAS CONTINUED TO PAY APPROXIMATELY ONE MILLION DOLLARS ANNUALLY FOR WAGES AND GENERAL MAINTENANCE OVER THE LAST YEAR AND A HALF, BUT HOOD WONDERS HOW HIS COMPANY CAN COVER THIS CONSTANT DRAIN OF ITS RESOURCES. THERE HAS BEEN NO PROVISION FOR VITAL INVESTMENT, FOR MAJOR MAINTENANCE WORK, OR FOR THE IMPORTATION OF SPARE PARTS. TANGANYIKA CONCESSIONS HAS APPROPRIATED LIMITED FUNDS FOR THE RAILWAY THROUGH JANUARY, BUT IF THERE IS NO SIGN OF IMPROVEMENT IN THIS UNSATISFACTORY AND UNPROFITABLE SITUATION BY THE BEGINNING OF THE YEAR, HOOD WARNED, "WE MAY HAVE TO FOLD UP." IF THE COMPANY PULLS OUT, HE SAID, THE SKILLED PORTUGUESE WORKERS STILL IN ANGOLA WILL LEAVE AND THE RAILWAY WILL FACE A GRADUAL DETERIORATION. THE ANGOLANS KNOW THIS, AND THE ZAIRIANS SHOULD AS WELL, HE SAID. IN THE END, THE RAILWAY WILL BE PERMANENTLY DENIED TO BOTH.

7. COMMENT: HOOD'S PRIMARY CONCERN IS UNDERSTANDABLY THE SURVIVAL AND RENEWED PROFITABILITY OF THE BENGUELA RAILWAY. STILL, HE BELIEVES IT IS IN WESTERN INTERESTS TO KNOW THAT UNITA ATTACKS ARE NOT A MAJOR IMPEDIMENT TO THE FUNCTIONING OF THE RAIL LINE NOR IS THE ATTITUDE OF THE ANGOLAN AUTHORITIES. MOBUTU'S APPARENT REFUSAL TO TALK, HOWEVER, MAY FORCE TANGANYIKA CONCESSIONS TO GIVE UP ON ITS RAILWAY COMPLETELY. ALTHOUGH HE STEERED CLEAR OF THE SUGGESTION, HOOD OBVIOUSLY WANTS THE USG TO INTERCEDE WITH MOBUTU IN THE ECONOMIC INTEREST OF ZAIRE AND THE POLITICAL INTEREST OF THE UNITED STATES.

ARMSTRONG

CONFIDENTIAL

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

NNN

Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006

Message Attributes

Automatic Decaptioning: Z
Capture Date: 01 JAN 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: GOVERNMENT REACTIONS, RAILROADS, BOUNDARIES, DIPLOMATIC DISCUSSIONS, PUBLIC ATTITUDES
Control Number: n/a
Copy: SINGLE
Draft Date: 29 NOV 1976
Decaption Date: 28 MAY 2004
Decaption Note: 25 YEAR REVIEW
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: CunninFX
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1976LONDON19241
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Film Number: D760441-1130
From: LONDON
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1976/newtext/t1976118/aaaaagkc.tel
Line Count: 218
Locator: TEXT ON-LINE, ON MICROFILM
Office: ACTION SS
Original Classification: CONFIDENTIAL
Original Handling Restrictions: EXDIS
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: EXDIS
Reference: n/a
Review Action: RELEASED, APPROVED
Review Authority: CunninFX
Review Comment: n/a
Review Content Flags:
Review Date: 04 MAY 2004
Review Event:
Review Exemptions: n/a
Review History: RELEASED <04 MAY 2004 by BoyleJA>; APPROVED <30 AUG 2004 by CunninFX>
Review Markings:

Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
04 MAY 2006

Review Media Identifier:
Review Referrals: n/a
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
Secure: OPEN
Status: NATIVE
Subject: TANGANYIKA CONCESSIONS COMMENTS ON THE BENGUELA RAILWAY SUMMARY: ALEXANDER HOOD, CHAIRMAN OF TANGANYIKA
TAGS: PFOR, UK, AO, CG, (HOOD, ALEXANDER)
To: STATE
Type: TE
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 04 MAY 2006